

**Congress of the United States**  
**Washington, DC 20515**

April 8, 2005

Federal Deposit Insurance Corporation  
Chairman Donald E. Powell  
550 – 17th Street, NW  
Washington, DC 20429

Federal Reserve Board  
Chairman Alan Greenspan  
Board of Governors  
20th Street & Constitution Ave., NW  
Washington, DC 20551

Office of the Comptroller of the Currency  
Julie Williams  
First Senior Deputy Comptroller and Chief  
Counsel  
250 E. Street, SW  
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Office of Thrift Supervision  
Director James E. Gilleran  
1700 G Street, NW  
Washington, DC 20552

Financial Crimes Enforcement Network  
Director William J. Fox  
P.O. Box 39  
Vienna, VA 22183

Ladies and Gentlemen:

We respectfully submit this letter to bring your attention to concerns regarding the application of Title III of the Patriot Act and the Bank Secrecy Act. Implementation is crucial when carrying out these laws in the fight against money laundering and terrorism, but the efficacy with which these provisions have been executed has been the subject of recent discussion by both Congress and the general public. We understand and appreciate your efforts to ensure that those for whom you have regulatory responsibility are in compliance with the law.

We are advised, however, that the implementation of Title III of the Patriot Act and the Bank Secrecy Act may be creating results that are both counterproductive and damaging to the banking industry. There are reports of a lack of consistency among personnel from regulatory agencies when examining banks for compliance with these laws. We have also been informed of reports that enforcement has led to negative consequences, such as the closing of legitimate "money service businesses" and defensive compliance. Because of new liability and incentive structures, banks are over filing Suspicious Activity Reports (SARS). In doing so, the SARS lose their effectiveness, and the spirit of the law is defeated. As one banker put it, "we are already searching for a needle in a haystack, and the behavior encouraged is to add more hay."

We understand there are cases where financial institutions have not lived up to their obligations to comply with the laws and regulations that govern them. These cases, however, should not give cause for the creation of a new regulatory environment where compliance is both highly technical and costly and which ultimately prevents us from achieving the original goals set forth by these laws.

These laws do not spell out all the detail of regulation. We rely on you, the regulators, to provide such guidance and to carry it out with good judgment and common sense, no easy task.

It is clearly not the purpose of the Patriot Act or the Bank Secrecy Act to lead to the closing of legitimate businesses and accounts, nor is it their purpose to discourage lawful business practices. The administration of these Acts should not lead to counterproductive results such as defensive compliance. We urge you to ensure that your enforcement does not produce unintended consequences or run contrary to existing policies and the public interest.

We would appreciate hearing from you as to the steps you are and will take to address these concerns.

Sincerely,

Tom Feeney  
Chuck W. Dent  
Vic Keller

Mark Foley

Debbie Wasserman Schultz

Jim Davis  
Clay Brown-White  
Spencer Baker

Katherine Harris

Jo Hensarling

Ron Paul

Robert Wexler

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Bob

W. H. H. H.

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Lucille Roybal-Allard

Franklin D. Brown

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Richard P. H.

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Frank D. Lucas

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Michael Kennedy

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Jim Ht

Tim Nemes

Anders Andersen

Scott Garrett

Darin Meyer

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Pete Sessions

Paul Allen

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